



F *State of California*
Employment Training Panel

Arnold Schwarzenegger, Governor

April 21, 2008

Michael Luckewicz, Assistant Treasurer
Booz Allen Hamilton
Four Wood Hollow Road
Parsippany, NJ 07054-2814

Dear Mr. Luckewicz:

RE: FINAL MONITORING REPORT for Booz Allen Hamilton (Booz Allen) – ET06-0283

Date of the Visit:	04/03/08
Beginning/Ending Time:	1:00 p.m. – 3:00 p.m.
Date of Last Visit:	06/11/07
Visit Location:	San Diego, California
Persons in attendance:	Kathe Teaman, Training Administrator, Carole Robinson, ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/05/06 – 04/04/08	Agreement Amount:	\$498,771
Training Start Date:	04/11/06	No. to Retain:	783
Date Training must be Completed:	01/03/08	Range of Hours:	24 - 60
Type of Trainee:	Retrainee (SET)	Weighted Ave. Hours:	49

FINAL REPORT SUMMARY:

• **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 04/27/06. Booz Allen did not make any Revision Requests during the term of this Agreement.

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5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
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www.etp.ca.gov
ETP (05/16/2007)

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

Ms. Teaman reported that Booz Allen did not perform as well as planned due to “wishful thinking” regarding the available time retrainees had to attend training. Because the company’s business depends on volume, retrainees were focused on job production requirements. As a result, planned attendees often cancelled at the last minute with pressing client needs cited as an excuse. Overall performance was very low because the training plan was over ambitious, and retrainees were involved in completing proposals to attract new business.

Ms. Teaman stated that most of the planned Class/lab training topics were delivered but not as many retrainees attended as stated previously. She reported that Business and Continuous Improvement Skills topics such as Presentation Skills, Leadership, Advanced Writing Techniques, Project Management, Financial Risk Management, and other related areas were the most beneficial and attended overall. However, other courses such as Process Immersion were not delivered due to a lack of interest. Ms. Teaman reported that Booz Allen retrainees have gained professional development skills that have enhanced their interaction with customers and others as a result of ETP funded training. She also stated Booz Allen retrainees have become more proficient in business development processes with prospective clients and conduct more effective meetings with clear objectives and outcomes. Class/lab sessions also afforded retrainees with opportunities to network with others and share ideas.

Ms. Teaman stated that Booz Allen would consider pursuing another, less ambitious training ETP Agreement in the future, however, at this time, the company’s business needs takes precedence.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	411	Completed Training:	133
Trainees Enrolled:	1119	Completed Retention:	133
Dropped Following Enrollment:	986	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	*133		

- According to ETP records as of the date of this report, Booz Allen will retain 133 retrainees (17%) of the planned retentions. The aforementioned retrainees have completed a total of 4,368 hours of Class/lab training. Based on ETP records, Booz Allen will be eligible for a total reimbursement of \$56,784 (11% of the ETP encumbered funds) if all other conditions of ETP eligibility are met. Current records show that Booz Allen has received \$12,740 in unearned Progress Payments. Ms. Teaman stated that the company will be submitting a closeout invoice no later than 05/04/08.

ATTENDANCE ROSTERS/INVOICES/ TRAINING TRACKING RECORDS:

Ms. Robinson reviewed class/lab attendance rosters for seven randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement’s Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22,

California Code of Regulations, 4442. In addition, she compared the number of training hours in Booz Allen's tracking records for the seven retrainees selected with the number of training hours documented on the applicable Class/lab Rosters and Invoice number 2 for Progress Payment 1 (Enrollment).

Ms. Robinson found that the records reviewed for the even selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported on Booz Allen's tracking records matched those contained within the applicable Class/lab Rosters and Invoice number 2 for Progress Payment 1 (Enrollment).

All Invoices submitted to date have been validated in this and previous Monitoring Reports.

SUBAGREEMENTS:

During a previous visit, Ms. Teaman provided an executed subagreement with Deloitte Tax LLC for the provision of consulting activities relating to administration of this Agreement. Ms. Robinson noted that this subagreement included the ETP required paragraphs as required in Exhibit D Page 1 of 1 in the Agreement and verified this information was entered into ETP's Online System. During this Final Monitoring Visit, you confirmed that all Class/lab training conducted during the term of this Agreement was delivered by employees of Booz Allen.

AUDIT:

Booz Allen will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

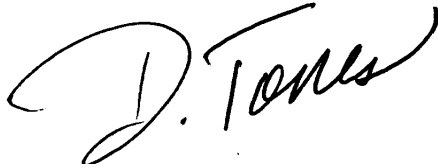
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at CRobinson@ETP.ca.gov or (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres".

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson".

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Deloitte Tax LLC
Master File
SD Project File

Date report e-mailed to Contractor 04/22/08